

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 02820 241813Z

56

ACTION EUR-12

INFO OCT-01 EA-07 IO-11 EURE-00 ISO-00 SSO-00 NSCE-00

INRE-00 USIE-00 ACDA-05 OMB-01 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 SAJ-01 SAM-01 EB-07 AGR-05 AID-05 COME-00

FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01

STR-04 CEA-01 OES-03 NAS-01 NSF-01 ERDA-05 FEAE-00

FPC-01 INT-05 /131 W

----- 111181

O R 241621Z FEB 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC IMMEDIATE 370

INFO AMEMBASSY BELGRADE

AMEMBASSY BERLIN

USMISSION USBERLIN

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

USMISSION GENEVA

USDEL SALT TWO GENEVA

AMCONSUL LENINGRAD

AMEMBASSY LISBON

AMEMBASSY LONDON

AMCONSUL MUNICH

USMISSION NATO

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY TOKYO

USDEL MBFR VIENNA

AMEMBASSY WARSAW

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 02820 241813Z

LIMITED OFFICIAL USE MOSCOW 2820

E.O. 11652: N/A

TAGS: ECON, TECH, UR

SUBJECT: 25TH CPSU CONGRESS: BREZHNEV SPEECH (ECONOMIC HIGHLIGHTS)

REF: MOSCOW 2819

1. SUMMARY. DURING COURSE OF ONE AND ONE-HALF HOUR ECONOMIC SECTION OF CC REPORT, BREZHNEV COVERED MANY MANY THEMES IN CONVENTIONAL FASHION BUT WAS PARTICULARLY CRITICAL OF POOR PERFORMANCE IN CONSUMER GOODS AND LIGHT INDUSTRY. HE CONFIRMED THAT QUALITY AND EFFECTIVENESS ARE TO BE HIGHLIGHTS OF NEXT PLAN WITH EMPHASIS ON PLANT RECONSTRUCTION AND RE-EQUIPPING RATHER THAN NEW CONSTRUCTION. BASIC AGRICULTURAL POLICY WAS DEFENDED AS "CORRECT" AND PARTICULAR SIGNIFICANCE WAS GIVEN TO ROLE OF BASIC SCIENTIFIC RESEARCH. POSITIVE ROLE OF FOREIGN TRADE NOTED BUT EXPORTS ARE TO BE MORE LABOR INTENSIVE. CONCEPT OF 15 YEAR PLAN ALSO RESURRECTED. SPEECH HIGHLIGHTS FOLLOW. END SUMMARY.

2. CAPITAL INVESTMENT AND CONSTRUCTION POLICY - "MORE RADICAL MEASURES" ARE REQUIRED TO INTENSIFY EFFORTS, NARROW GOALS AND LINK INVESTMENTS TO "PLANNED INCREASED PRODUCTION." BULK OF FUNDS WILL GO TO RECONSTRUCTION AND EXPANSION OF PLANTS, LESS NEW CONSTRUCTION. IN GENERAL CONSTRUCTION MUST BE MADE MORE EFFECTIVE, WITH PROJECTS COMPLETED ON TIME.

3. PRODUCTION - PRODUCERS OF CONSUMER GOODS (GROUP "B") STRONGLY CRITICIZED FOR POOR PERFORMANCE IN PAST WHILE HEAVY-INDUSTRY (GROUP "A") SECTOR SURGED AHEAD. IN ADDITION TO PROBLEMS CAUSED BY SHORTFALL OF AGRICULTURAL RAW MATERIALS, FAILURE OF LIGHT AND FOOD INDUSTRY TO UTILIZE "RESERVES" AS WELL AS DELAYED START-UP OF NEW PLANTS CITED AS UNDERLYING FACTORS. ANNOUNCED 10TH FYP GOALS FOR CONSUMER GOODS OUTPUT ARE "BARE MINIMUM" AND EVERY MINISTRY AND ENTERPRISE HAS RESPONSIBILITY TO OVERFULFILL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 02820 241813Z

TARGETS: IN MANY CASES BETTER QUALITY AND WIDER SELECTION ARE NEEDED, NOT INCREASED QUANTITY. DEVELOPMENTS IN THIS AREA HAVE "ENORMOUS ECONOMIC AND POLITICAL SIGNIFICANCE" AND THE PARTY WILL GIVE CLOSE ATTENTION TO TASK OF INSURING SUCCESS.

4. MANAGEMENT - ECONOMIC MANAGEMENT IMPROVEMENTS WILL BE FOCUSED ON EXPANDED USE OF AUTOMATED SYSTEMS, UTILIZING MATHEMATICAL MODELS AND COMPUTERS (ASU'S). PLANNING ORGANIZA

TIONS PLAY VITAL ROLE: EFFECTIVENESS OF THEIR WORK MUST BE IMPROVED. EMPHASIS MUST BE ON "MOST IMPORTANT ECONOMIC GOALS", AIMED AT TERRITORIAL DEVELOPMENT, INTER-INDUSTRY LINKAGES AND "FINAL ECONOMIC GOALS". SECOND AREA OF EMPHASIS WILL BE "ECONOMIC STIMULI": MORE SELF-FINANCING ENTERPRISES, DEVELOPMENT OF INDICATORS FOR QUALITY AND EFFECTIVENESS OF WORK, CONTINUED IMPROVEMENT OF ORGANIZATION STRUCTURE (SCIENTIFIC-PRODUCTION ASSOCIATIONS, ETC).

5. PLANNING - "QUALITY AND EFFECTIVENESS" ARE HIGHLIGHTED IN ALMOST EVERY SECTION OF SPEECH: INVESTMENT POLICY, SCIENTIFIC-TECHNICAL DEVELOPMENT, CONSTRUCTION, CONSUMER GOODS PRODUCTION, ETC. THE "ONLY WAY" TO READY 10TH FYP GOALS IS BY RAISING LABOR PRODUCTIVITY AND EFFECTIVENESS. CONCEPT OF FIFTEEN YEAR PLAN (1976 - 1990) WAS REVIVED BY BREZHNEV, WITH INDICATION THAT LONG-TERM TARGETS WOULD BE INDICATIVE RATHER THAN "DIRECTIVE" IN NATURE. GENERAL THRUST OF COMMENTS ON PLANNING INDICATES INCREASED CENTRALIZATION AND CONTINUATION OF KEY ROLE OF STATE PLANNING COMMITTEE (GOSPLAN).

6. AGRICULTURE - DURING 9TH FYP THERE HAD BEEN THREE GOOD YEARS OF AGRICULTURAL PRODUCTION AND TWO BAD YEARS, 1972 AND 1975, DUE TO POOR WEATHER CONDITIONS. PROBLEMS, HOWEVER, WERE OF A TEMPORARY NATURE AND "LENINIST" AGRICULTURAL POLICY REMAINS CORRECT. TWO PRINCIPAL OBJECTIVES FOR FUTURE ARE: TO ACHIEVE NECESSARY LEVEL OF PRODUCTION OF AGRICULTURAL RAW MATERIALS; AND TO IMPROVE MATERIAL LIVING CONDITIONS IN RURAL AREAS TO PROVIDE INCENTIVE TO MEET FIRST OBJECTIVE. SPECIAL EMPHASIS WAS GIVEN TO FERTILIZER PRODUCTION, IMPROVEMENTS IN ANIMAL HUSBANDRY, AND INCREASED OUTPUT OF SEED GRAINS. BREZHNEV ALSO CALLED FOR MORE AGRICULTURAL SPECIALIZATION AND MORE INTER-KOLKHOZ INTEGRATION TOWARDS THIS END.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MOSCOW 02820 241813Z

7. SCIENCE AND TECHNOLOGY - SCIENTIFIC AND TECHNICAL PROGRESS WERE DESCRIBED AS CRUCIAL FACTORS IN ECONOMIC PROGRESS. RESEARCH DEVELOPMENTS WERE NOT REACHING THE PRODUCTION LINE QUICKLY ENOUGH. BREZHNEV MADE STRONG PITCH ON IMPORTANCE OF GOOD BASIC SCIENTIFIC RESEARCH ACTIVITY AND PINPOINTED USSR ACADEMY OF SCIENCES AS CENTRAL OPERATIVE IN THIS EFFORT. ENVIRONMENTAL CONCERNS MUST ALSO REMAIN AT CENTER OF ATTENTION DURING PROCESS OF INDUSTRIAL GROWTH.

8. FOREIGN TRADE - DIRECTION OF FOREIGN TRADE WOULD REMAIN PRE-ORDERANTLY WITH "SOCIALIST" COUNTRIES. CEMA ECONOMIC COOPERATION EFFORTS WERE PROCEEDING SUCCESSFULLY BUT IN CONTEXT OF DISCUSSION OF SPECIFIC PROGRAMS IN RAW MATERIALS AND ENERGY, BREZHNEV REFERRED TO CERTAIN "COMPLEX" PROBLEMS. USSR WAS PREPARED TO FULFILL ITS OBLIGATIONS AND HE CALLED ON OTHER CEMA

COUNTRIES TO DO LIKEWISE. BENEFITS OF INTERNATIONAL DIVISION OF
LABOR AND ECONOMIC COOPERATION WITH WEST WERE EXTOLLED.
SPECIFICALLY MENTIONED WERE COMPENSATION PROJECTS IN BOTH RAW
MATERIALS AND SEMI-FINISHED PRODUCTS. EXPORTS ARE TO HAVE MORE
LABOR CONTENT AND IMPORTS ARE TO CONTRIBUTE DIRECTLY TO IMPROVED
ECONOMIC EFFICIENCY. REFERENCE ALSO MADE TO INCREASING ROLE OF
INDUSTRIAL MINISTRIES IN FOREIGN TRADE, FORMERLY EXCLUSIVE DOMAIN
OF MINISTRY FOREIGN TRADE.
STOESSEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMUNISTS, PARTY MEETINGS, SPEECHES, ECONOMIC TRENDS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW02820
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760069-0204
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760220/aaaaaqor.tel
Line Count: 178
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MOSCOW 2819
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by CollinP0>; APPROVED <06 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 25TH CPSU CONGRESS: BREZHNEV SPEECH (ECONOMIC HIGHLIGHTS)
TAGS: PFOR, PINT, ECON, UR, (BREZHNEV, LEONID I)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006